

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF:

JAMES LEO
PETITIONER

A.I.D. NO. 2018-100

ORDER

On this day, the matter of the insurance producer license application of James Leo ("Petitioner") came before Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). A hearing was held on September 27, 2018, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to the Notice of Hearing dated September 10, 2018. The hearing was held before Chief Deputy Commissioner Russ Galbraith ("Hearing Officer") pursuant to his appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103(e)(1). The Department was represented by Gray Allen Turner, Associate Counsel. The Petitioner participated via telephone.

FINDINGS OF FACT

1. The Commissioner of Insurance has jurisdiction pursuant to the Arkansas Insurance Code, specifically Ark. Code Ann. §§ 23-60-101, *et seq.*
2. Petitioner, a resident of Connecticut, applied for a Non-Resident Adjuster License on May 11, 2018.

3. The Department denied Petitioner's application on June 1, 2018.
4. Petitioner timely requested a hearing as to the license denial on May 15, 2018.
5. Petitioner was sent a notice of hearing on September 18, 2018, to the address provided by the Department.
6. Petitioner, in his adjuster application, disclosed that in 1994, he pled guilty to one count of felony Conspiracy to Commit Mail Fraud in the Eastern District of New York, U.S.D.C. Petitioner's conviction has not been pardoned or expunged.
7. Petitioner testified that his conviction was for his involvement in a conspiracy to defraud his employer, Allstate Insurance, by submitting false policies and false claims. Petitioner was an Allstate agent at the time the crime was committed.
8. Petition has not been convicted of any crimes since his probation ended.
9. Petitioner is currently licensed as an independent adjuster in New York, where he is employed, and several other states.

CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. To be licensed as an adjuster, Ark Code Ann. § 23-64-209 states an applicant must be deemed by the commissioner "to be competent, trustworthy, financially responsible, and of good personal and business reputation."

3. An application for an insurance adjuster may be denied where the applicant has been convicted of a felony.

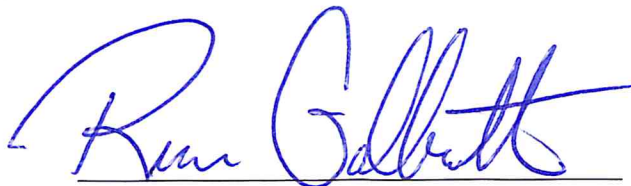
4. Due to the nature of the crime and because it involved an insurance company, the Petitioner's conviction for felony mail fraud calls into question his fitness to be a licensed adjuster.

5. The Petition has not presented sufficient evidence that he meets the requirements to be a licensed adjuster.

RECOMMENDATION OF HEARING OFFICER

WHEREFORE, upon consideration of the evidence of record and the foregoing Findings of Fact and Conclusions of Law, the Hearing officer recommends the following:

1. That the Arkansas insurance adjuster license application of the Petitioner be denied.



Russ Galbraith
Chief Deputy Commissioner

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendation of the Hearing Officer were made by and under my authority and supervision by Russ Galbraith, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

THEREFORE, it is hereby ORDERED that the Arkansas insurance adjuster application of James Leo is denied.

IT IS SO ORDERED THIS 2nd DAY OF Nov, 2018.

A handwritten signature in black ink, appearing to read "Allen Kerr", written over a horizontal line.

ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS